

## 16.000

- 16.404 Fixed-price contracts with award fees.
- 16.405 Cost-reimbursement incentive contracts.
- 16.405-1 Cost-plus-incentive-fee contracts.
- 16.405-2 Cost-plus-award-fee contracts.
- 16.406 Contract clauses.

### Subpart 16.5—Indefinite-Delivery Contracts

- 16.500 Scope of subpart.
- 16.501-1 Definitions.
- 16.501-2 General.
- 16.502 Definite-quantity contracts.
- 16.503 Requirements contracts.
- 16.504 Indefinite-quantity contracts.
- 16.505 Ordering.
- 16.506 Solicitation provisions and contract clauses.

### Subpart 16.6—Time-and-Materials, Labor-Hour, and Letter Contracts

- 16.601 Time-and-materials contracts.
- 16.602 Labor-hour contracts.
- 16.603 Letter contracts.
- 16.603-1 Description.
- 16.603-2 Application.
- 16.603-3 Limitations.
- 16.603-4 Contract clauses.

### Subpart 16.7—Agreements

- 16.701 Scope.
- 16.702 Basic agreements.
- 16.703 Basic ordering agreements.

AUTHORITY: 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

SOURCE: 48 FR 42219, Sept. 19, 1983, unless otherwise noted.

## 16.000 Scope of part.

This part describes types of contracts that may be used in acquisitions. It prescribes policies and procedures and provides guidance for selecting a contract type appropriate to the circumstances of the acquisition.

[48 FR 42219, Sept. 19, 1983, as amended at 60 FR 34756, July 3, 1995; 61 FR 39197, July 26, 1996]

### 16.001 Definitions.

As used in this part—

*Award-Fee Board* means the team of individuals identified in the award-fee plan who have been designated to assist the Fee-Determining Official in making award-fee determinations.

*Fee-Determining Official (FDO)* means the designated Agency official(s) who reviews the recommendations of the Award-Fee Board in determining the

## 48 CFR Ch. 1 (10-1-11 Edition)

amount of award fee to be earned by the contractor for each evaluation period.

*Rollover of unearned award fee* means the process of transferring unearned award fee, which the contractor had an opportunity to earn, from one evaluation period to a subsequent evaluation period, thus allowing the contractor an additional opportunity to earn that previously unearned award fee.

[74 FR 52858, Oct. 14, 2009]

### Subpart 16.1—Selecting Contract Types

#### 16.101 General.

(a) A wide selection of contract types is available to the Government and contractors in order to provide needed flexibility in acquiring the large variety and volume of supplies and services required by agencies. Contract types vary according to (1) the degree and timing of the responsibility assumed by the contractor for the costs of performance and (2) the amount and nature of the profit incentive offered to the contractor for achieving or exceeding specified standards or goals.

(b) The contract types are grouped into two broad categories: fixed-price contracts (see subpart 16.2) and cost-reimbursement contracts (see subpart 16.3). The specific contract types range from firm-fixed-price, in which the contractor has full responsibility for the performance costs and resulting profit (or loss), to cost-plus-fixed-fee, in which the contractor has minimal responsibility for the performance costs and the negotiated fee (profit) is fixed. In between are the various incentive contracts (see subpart 16.4), in which the contractor's responsibility for the performance costs and the profit or fee incentives offered are tailored to the uncertainties involved in contract performance.

#### 16.102 Policies.

(a) Contracts resulting from sealed bidding shall be firm-fixed-price contracts or fixed-price contracts with economic price adjustment.

(b) Contracts negotiated under part 15 may be of any type or combination